



Financial Viability Assessment

**Development Land and 271 Cliffe Lane
Gomersal
Cleckheaton
BD19 4SB**

Kirklees Council

Financial Viability Assessment

Financial Viability Assessment | Rev A

29th January 2024

KL2302

FINANCIAL VIABILITY ASSESSMENT

Financial Viability Assessment

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Document history and status

Revision	Date	Description	Originator	Checked	Approved
A	31/01/2024	Issued to client	J Gamble Schofield	G Tyerman	G Tyerman
B	11/02/2025	Issued to client (amendments to S.106/278)	J Gamble Schofield	G Tyerman	G Tyerman

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1 Non-Technical Summary

Please see below, the non-technical summary identifying the inputs assessed and the view of each party:

 = No Change
  = Identified Changes

Input	Carter Jonas	APP	Change
Gross Development Value (GDV)	£30,092,000	£30,546,030	Increased the GDV of the Market Housing, by £5 per sq. ft.
Build Cost	£14,005,273	£14,005,273	No Change.
Future Homes Standards	£2,500 per unit	£2,500 per unit	No Change.
S278 (off site highways)	£95,000	£0	Kirklees Council requested Align to remove the S.278 cost and adjust the S.106 package. The full planning obligation package we have adopted is £344,060.
Build Cost contingency	5%	3%	Lowered the contingency amount to 3%.
Abnormal Costs	£1,775,000	£1,509,090	Following a review from our Quantity Surveyor, these costs were lowered by circa £266,000.
External Costs	£3,085,406	£2,615,650	Following a review from our Quantity Surveyor, those costs were lowered by circa £470,000.
Professional Fees	8%	8%	No Change.
Marketing and Disposal Fees	1% agency, £600 per dwelling for legals and £750 per dwelling for marketing.	1% agency, £600 per dwelling for legals and £750 per dwelling for marketing.	No Change.
Finance Interest Rate	8%	8%	No Change.
Developers profit (on GDV)	17.5%	17.5%	No Change.
Benchmark Land Value (BLV)	£1,965,000	£1,965,000	No Change.
Conclusion on scheme (surplus/deficit from BLV assuming 0% affordable provision)	The applicant's residual value was below the Benchmark Land Value, and therefore, they concluded that 0% affordable provision is viable.	+£1,628,149	Our review identified a surplus above Benchmark Land Value, which can be used for the provision of affordable housing.

2 Instructions

2.1 Client

The Client in respect of this report is Kirklees Council. Our contact for this assignment is Nick Hurst, Senior Planner Officer.

2.2 Purpose of Report

This report is a review of the applicant's submitted viability assessment and provides our opinion on the viability of the subject scheme.

2.3 Personnel

This work has been undertaken by Jake Gamble – Schofield BSc (Hons) MRICS, RICS Registered Valuer and reviewed by Graham Tyerman BSc MRICS, RICS Registered Valuer, Senior Principal Valuer.

We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to provide this advice competently. We confirm that our personnel are in a position to provide external, objective and unbiased advice and are competent to provide the advice.

2.4 Subject of Report

The land, which is the subject of this report, is the site known as the land to the rear of 271 Cliffe Lane including the dwelling itself (271 Cliffe Lane). The scheme is held under planning application reference 2023/62/92966/E and is for “the demolition of existing dwelling and erection of 97 dwellings including formation of a new access from Cliffe Lane, landscaping, public open space and all associated infrastructure and engineering works”.

2.5 Date of Report

29th January 2024

2.6 Basis of Advice

In order to provide this advice, we have carried out our own analysis based on our experience and knowledge of the local market. We have also had regard to information provided by both the client and applicant, following the typical methodologies used to assess project viability.

We can confirm that no performance related or contingent fees have been agreed within this case.

2.7 Extent of Investigations

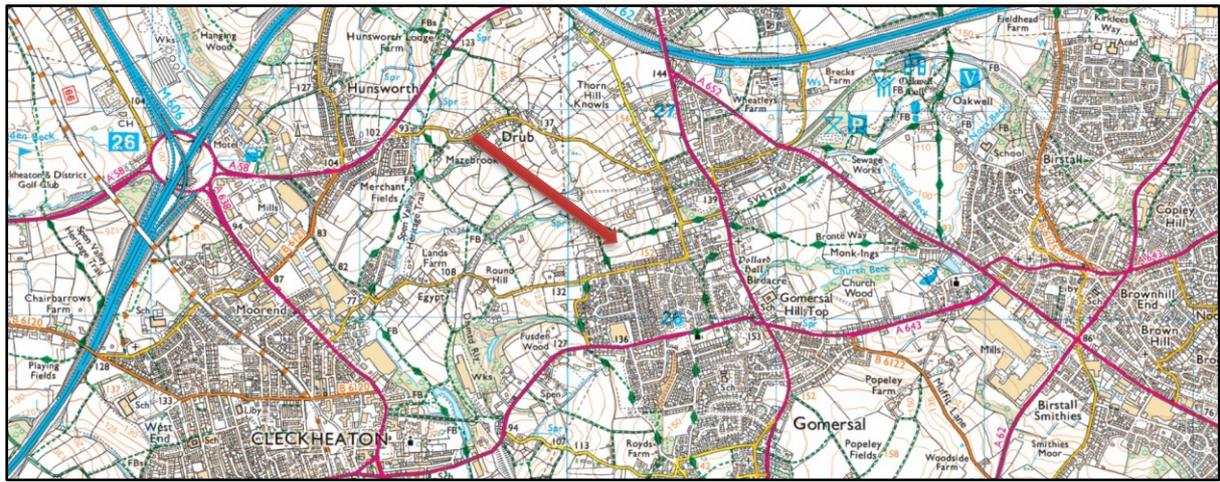
- A portion of the data upon which this report is based has been provided by the client, some by the applicant and their advisers, with the rest of the data being derived or researched by ourselves.
- The site and surrounding area was inspected by Jake Gamble-Schofield on 12th December 2024.
- Neither structural surveys nor specialist inspections (including environmental) or testing of and services or apparatus have been undertaken.
- We have not carried out an internal inspection of the detached house, 271 Cliffe Lane.

3 Location

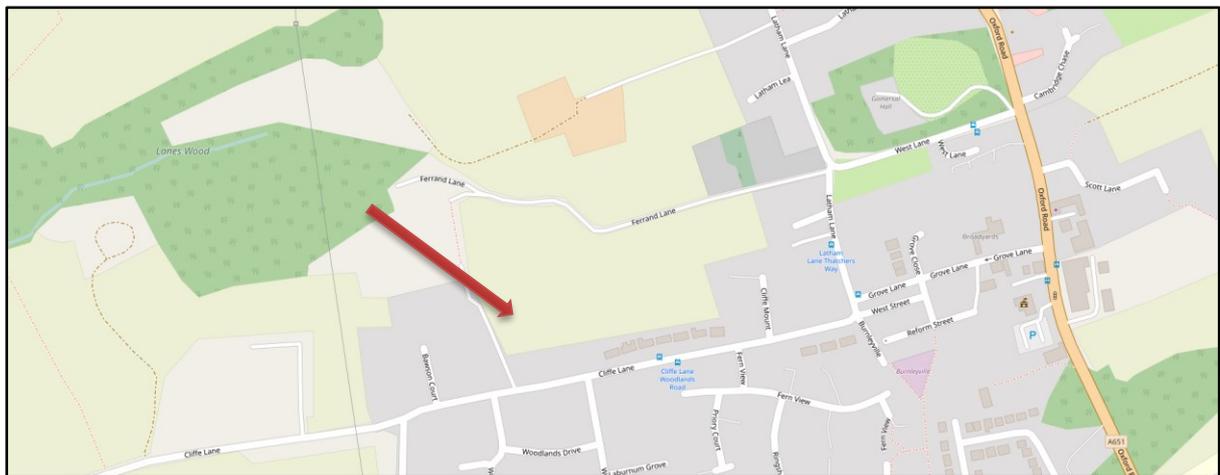
3.1 Location Plan

The site is located on Cliffe Lane, in the village of Gomersal, within the metropolitan borough of Kirklees, West Yorkshire. Gomersal is situated approximately two miles south of the town centre of Cleckheaton, which forms part of the larger Spennings Valley area.

The village lies at the junction of the A58 and A652, providing transport links to nearby towns and cities. Bradford is located around 7 miles to the north west, while Leeds is approximately 12 miles to the north east. The site is also well connected to the M62 motorway, with Junction 26 located approximately 1.5 miles to the west, offering easy access to both regional and national road networks.



Source: Bing Maps



Source: Ordnance Survey Open Data

4 Description

4.1 Site Details (Land)

We are advised that the total site area is 8.96 acres (3.63 hectares). The majority of the site is occupied by grassland fields, and at the time of inspection it was being used for cattle grazing. The remaining area of the site is occupied by the existing dwelling, 271 Cliffe Lane.

The site levels fall from South to North and East to West with the lowest point being the north-west corner of the site. The site is currently accessed via two existing vehicular access points. However, we are aware of the development plans to demolish an existing dwelling to form a new access road. Please see the marked plan below.



4.2 Property Details, 271 Cliffe Lane

271 Cliffe Lane, is subject to this report due to the property being needed to be demolished in order to create suitable access to the development.

The property is a two storey detached house of a traditional construction. We have assumed that the property comprises a four bedroom house, and from our limited external inspection the property appears to be in average condition although somewhat dated. The applicant has informed us that the property is vacant. The property benefits from a double integral garage and off-street parking, together with front and rear gardens.

Please see the image of 271, Cliffe Lane below:-



4.3 Tenure

We assume that the both subject land and the detached house are the freehold ownership of the applicant.

4.4 Highways

We have not made any enquiries to Kirklees Council in their capacity as the highways authority for the area.

We have assumed that there are no current highway proposals in the immediate vicinity, likely to have a detrimental impact on the property in the foreseeable future.

We have assumed that all highways bounding the property are adopted.

We have assumed that there are no third party interests between the boundary of the property and the adopted highways, and therefore that the property has unfettered vehicular and pedestrian access.

We have assumed that there are no issues relating to visibility splays, which may impact upon the use or proposed use of the site.

4.5 Services

Any assumptions regarding services have been derived from information provided for the purposes of this exercise.

No tests have been carried out, but any service installations are assumed to be in a satisfactory condition and in compliance with current regulations.

4.6 Invasive Plants

During the course of our inspection, we did not note and were not advised of the presence of invasive plants on the site.

4.7 Planning History

The current application is held under planning reference 2023/62/92966/E and is for the demolition of the existing dwelling and the erection of 97 dwellings, including formation of a new access from Cliffe Lane, landscaping, public open space and all associated infrastructure and engineering works.

We are aware of the following Planning History relating to the site –

Application Number	Application	Decision	Date
2019/60/90902/E	Outline application for the demolition of one dwelling and erection of 98 dwellings with consideration for access landscaping and layout	Refused. Appealed and subsequently Appeal Dismissed.	9 th July 2021 (initial decision) 15 th September 2022 (appeal decision date)

We understand that the subject site is allocated as a site for use as housing under the local plan, site HS116.

5 Development Proposals

We have studied the details of the application made in respect of the site, which is for the development of 97 residential units, none of which (0%) are proposed to be affordable units. We understand the policy requirement is twenty dwellings (20%) if rounded up to the nearest whole number.

The scheme is broken down as follows:

Type	Description	Integral Garage	Detached Garage	Units	Sq m	Sq. Ft	Total Sq. m	Total Sq. ft
A2	2 bed semi			20	80	863	1,600	17,260
B2	3 bed semi		x	11	95	1,018	1,045	11,198
C2	3 bed semi		x	2	107	1,154	214	2,308
D3	3 bed semi/terrace	x		8	121	1300	968	10,400
D4	4 bed semi/terrace	x		6	121	1300	726	7,800
E2	2 bed semi		x	4	95	1018	380	4,072
F2	4 bed detached	x		4	110	1184	440	4,736
G2	4 bed detached		x	1	117	1259	117	1,259
H2	4 bed detached	x		5	134	1447	670	7,235
I2	4 bed detached		x	4	126	1361	504	5,444
M2/3	3 bed semi	x		13	111	1,198	1,443	15,574
N2/3	4 bed semi	x		4	124	1334	496	5,336
Houses Total				82			8,603	92,622

Type	Description	Integral Garage	Detached Garage	Units	Sq m	Sq. Ft	Total Sq. m	Total Sq. ft
AT-W	1 bed flat			1	67	718	67	718
AT-X	2 bed flat			3	67	718	201	2154
AT-Y	1 bed flat			10	51	554	510	5540
AT-Z	1 bed studio			1	39	420	39	420
Apartments Total				15			817	8832
Grand Total				97			9,420	101,454

Affordable Housing

The National Planning Policy Framework (NPPF) 2019 defines affordable housing as:

“Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and / or is for essential local workers); and complies with one or more of the definitions contained in the NPPF of:

- a. Affordable housing for rent;
- b. Starter homes / first homes;
- c. Discounted market sales housing;
- d. Other affordable routes to home ownership.”

We have been advised that the affordable housing requirement is 20%. The proposed scheme is therefore required to deliver 20 affordable homes.

The applicant has provided an appraisal that delivers zero (0%) affordable dwellings and their appraisal represents a 17.5% profit whilst showing a residual value close to the benchmark land value, and therefore their position is that no greater than 0% affordable provision is viable.

6 Opinion Regarding Viability

After reviewing the information provided and carrying out our own research, it is our opinion that there are some areas for consideration in the assessment. The following sections of this report set out the key areas we have examined: -

6.1 Adopted House Prices

The applicant has adopted the following house prices within their appraisal: -

As noted earlier, the applicant's appraisal has provided for no affordable dwellings.

Name	Type	Units	£ psf	Price per unit	Rounded	GDV
A2	2 bed semi	20	£290	£250,270	£250,000	£5,000,000
B2	3 bed semi	11	£310	£315,580	£316,000	£3,476,000
C2	3 bed semi	8	£305	£352,000	£352,000	£704,000
D3	3 bed semi/terrace	8	£290	£377,000	£377,000	£3,016,000
D4	3 bed semi/terrace	6	£295	£383,500	£384,000	£2,304,000
E2	2 bed semi	6	£295	£300,310	£300,000	£1,200,000
F2	4 bed detached	4	£320	£378,880	£379,000	£1,516,000
G2	4 bed detached	4	£310	£390,290	£390,000	£390,000
H2	4 bed detached	2	£315	£455,805	£456,000	£2,280,000
I2	4 bed detached	4	£315	£435,520	£436,000	£1,744,000
M2/3	3 bed semi	13	£295	£353,410	£353,000	£4,589,000
N2/3	4 bed semi	4	£295	£395,530	£394,000	£1,576,000
Houses Total		82	£300.09			£27,795,000

Name	Type	Units	£ psf	Price per unit	Rounded	GDV
AT-W	1 bed flat	1	£260	£186,680	£187,000	£187,000
AT-X	2 bed flat	3	£260	£186,680	£187,000	£561,000
AT-Y	1 bed flat	10	£260	£144,040	£144,000	£1,440,000
AT-Z	1 bed studio	1	£260	£109,200	£109,000	£109,000
Apartments Total		15	£260			£2,297,000
Grand Total		97	£296.61			£30,092,000

The applicant has adopted sale prices based on £300 per sq. ft. for the market housing and £260 per sq. ft. for the apartments.

Gross Development Value (Houses)

We have been provided with comparable evidence by the applicant. They have focused their comparable search on four key schemes;

- Riva Homes – Oxford Meadows, Kensington Way – Gomersal - BD19 4FB
- Barratt, Wadsworth Gardens – Cleckheaton - BD19 6HS
- Heaton Avenue - Cleckheaton – BD19 3ET
- Kings Park, Miller Homes – Drighlington - BD11 1EG

We have collated our own comparable evidence and agree that these are the four key schemes to focus the review on. We have reviewed the comparable evidence provided. Taking into consideration the location, situation, size, quality and timeframe of sales.

We are in agreement with the applicant in respect of the fact that they have applied the most weight to the Riva Homes Scheme, and note the comments regarding the inferior location of the scheme and the date of the transactions.

Another factor to consider is the dwelling types provided within the scheme. Some of the units are providing a less desirable 2.5 storey product, where floor space is increased significantly, (compared to a similar 2 storey product) but the sale price does not necessarily follow the same trend, leading to a lower cost per sq. ft. This is often a comprise a developer is willing to take due to the lower build cost per sq. ft. associated with constructing a 2.5 storey product.

Disregarding the poorly situated plots and 2.5 storey products and applying an indexed increase to the sales values to account for the shift in the market over the preceding years, gives a similar figure to the applicant, in the region of £300 per sq. ft.

We have then applied weight to units being sold at Barratt Scheme, Wadsworth Gardens, and we are aware that these plots are achieving in excess of the £300 per sq. ft. However the house sizes are significantly smaller; for example, some three bedroom dwellings at

Wadsworth Gardens are circa. 450 sq. ft. smaller than some of the three-bedroom dwellings being proposed at the subject scheme.

The applicant has taken an average of the evidence provided from a range of £290 to £315, arriving at a figure of £300.09 per sq. ft. We consider it necessary to increase this figure slightly due to superior locality and product proposed at the subject scheme in comparison to the comparable developments, we have applied a £5 per sq. ft increase, which is still within the range of the comparable evidence provided.

Gross Development Value (Apartments)

Turning to the apartments, we note there has been limited transactions of new build apartments within the immediate area, and the applicant has focused their review on second hand stock. We do not agree with the notion that that the limited transactions could be due to limited demand, we foresee it may be more related to the fact that there is limited supply of this type of product.

However, with the above being said, we agree with the applicant on the price per sq. ft adopted for the flats.

Conclusion

In conclusion, we are of the opinion that the quality of scheme provided at the subject site is superior to that of the comparable sites listed.

After reviewing the comparable evidence available, and making appropriate adjustments, we have arrived at a blended figure that equates to £305 per sq. ft. This is a small increase of 1.7% on the applicant's view on market housing.

Please see the table below, outlining the sales prices adopted within our appraisal and the impact on gross development value.

Name	No. of Units	Average Price (circa)	Average Size (Sq Ft)	Price Per Sq. Ft
Houses	82	£344,500	1,130	£305
Total (MH)	82	£28,250,000		
Apartments	15	£153,000	589	£260
Total (MA)	15	£2,296,000		
Total GDV	92	£30,546,000		

Comparing this to the applicants submitted GDV of £30,092,000 our analysis shows an uplift of £454,000 (1.51% increase in GDV).

6.2 Developer's Costs

There are various aspects related to development costs, and we set these issues out in this section of our report:-

Build Costs/Abnormal Costs:

The build costs and abnormal costs adopted within the appraisal have been reviewed by Graham Elders, Senior Quantity Surveyor at Align Property Partners.

The construction costs for the dwelling and garages have been accepted within this review.

The abnormal development costs have been reduced. Please see a table below outlining these changes:-

Abnormal Item	Carter Jonas Cost	Align Cost	Comment
Cut and Fill	£300,000	£300,000	Accepted
Sub Station	£75,000	£75,000	Accepted
Grouting & Capping Mine Shaft	£1,100,000	£834,090	Carter Jonas, issued an update to these costs, reducing the figure from £1,100,000 to £834,090. We accepted the updated cost.
Demolition*	£40,000	£40,000	Accepted
Pumping Station	£80,000	£80,000	Accepted
Attenuation	£180,000	£180,000	Accepted
Total	£1,775,000	£1,509,090	-£265,910

* In the applicant's appraisal, the demolition cost was included within the abnormal costings and as a separate line within the ARGUS appraisal. We have removed the double counting, which results in **-£40,000** to the development costs.

The applicant produced a detailed cost plan for site externals and plot externals, which has been reviewed by our QS and the following changes were made: -

Cost Item	Carter Jonas Cost	Align Cost	Comment
Topsoil (300mm)	£103,356	£0	Carter Jonas have accepted removal of this item.
Landscaping	£263,000	£131,500	The APP QS advised that the cost item is high and expected half of the suggested amount.
Surface Water 300mm	£261,000	£174,000	The APP QS advised that using a rate of £100/m is more reasonable.
Manholes to Plots	£321,900	£174,000	The APP QS advised these costs should be lowered to £1,000 per item. 174no. x £1,000 = £174,000
Total	£949,256	£479,500	-£469,756

Using the reductions outlined in the above table, the total cost for external works is **£2,615,650**. Although these costs are still high in absolute terms for a scheme of this size (representing 18.68% of overall build costs), we are of the opinion that they are appropriate based on the information supplied and we have therefore adopted them within our appraisal.

Contingency:

The applicant has adopted contingency at 5%, typically we would see lower contingency amounts on schemes similar in size, and furthermore the applicant has provided detailed cost plans which further reduce the need for a large contingency allowance. Therefore, we have adopted 3% within our appraisal.

Professional Fees:

The applicant has adopted 8% for professional; we consider this to be appropriate.

Finance/Timescales:

We agree with the adopted methodology of an 8% finance rate based on 100% debt finance.

The applicant has adopted a 39-month development period based on an absorption rate of 2.5 sales per month. With the sales commencing 9 months after the construction of dwellings has commenced, and a 7-month preconstruction period.

We have accepted this approach.

Planning Obligations

Our client has informed us of the following planning obligation costs, which we determine in our appraisal as 'planning obligations':

- POS: £112,855
- Education Contribution: £150,705
- Section 278: £0
- Travel Plan Monitoring: £10,000
- Metro (travel cards): £44,500
- Bus Stop Improvements: £26,000

Total: £344,060

Selling Overheads

We have adopted the applicant's selling overheads, marketing and NHBC warranty fees.

6.3 Developer's Profit

The applicant has shown an appraisal resulting in 17.5% profit.

There is always a discussion as to the appropriate profit margin to apply. Little firm evidence exists and individual appeal decisions can be taken to point in either direction. In cases like this where issues such as abnormal costs are affecting the viability of the scheme, the benefits deriving to all involved parties will potentially be reduced – not just in terms of affordable housing provision but also in terms of profit margin and capital receipt to the landowner.

The NPPF points towards 15% - 20% of gross development value being a suitable return to developers. Therefore, within this project we would expect a profit level within this range. Sometimes a lower figure can be more appropriate on sites which are delivering affordable housing due to the reduction in risk with a guaranteed end sale. Furthermore, sites which challenge viability can arguably deem a lower profit level, to promote a pragmatic solution to the delivery of affordable homes.

To conclude, we are happy with the profit level adopted at 17.5% due to being a midway point of the range identified within the NPPF.

6.4 Benchmark Land Value

The land value applied within the appraisal is another key issue in assessing viability. The applicant has adopted a Benchmark Land Value of £1,965,000. After thorough consideration, we accept this figure.

7 Conclusion on Viability and Sensitivity Testing

We have reviewed each element of the appraisal and conclude that there is scope for affordable contributions to be delivered based on the current scheme.

Please see below the list of inputs altered within this review –

- Sales values increased by 1.51% (generating £454,000)
- Abnormal Development costs decreased by £305,000.
- External costs decreased by £469,756
- Contingency allowance decreased from 5% to 3%
- Adjusted Planning Obligations

7.1 Summary of Findings

Based on a scheme providing 0% affordable unit – as per the applicant’s submission, we conclude the scheme outputs the following:

Profit Level	Residual Value	Benchmark Land Value	Surplus/deficit from Benchmark Land Value
15%	£4,326,787	£1,935,000	£2,391,787
17.5%	£3,563,149	£1,935,000	£1,628,149
22.83% *	£1,935,000	£1,935,000	£0

*22.83% profit level is above the 17.5% adopted in our and the applicants reports.

The above table outlines that the scheme is able to provide an additional, £1,628,149 of affordable contribution. We anticipate this will be delivered via affordable housing contributions.

To conclude, the appraisal shown in **Appendix A** shows the scheme is viable, even when adopting a high profit level 22.83%. In our and the applicant’s assessment we both deemed that 17.5% profit is an acceptable amount. We have calculated what this increase in profit represents in terms of “surplus” monies. Please see the table at section 7.1.

7.2 Sensitivity Analysis

As per the RICS guidelines, we have included a sensitivity analysis on this project. Please see the extract below. We have run similar scenarios as the applicants, providing +/-2.5% increments showing changes to the % profit on GDV.

SENSITIVITY ANALYSIS REPORT **ARGUS SOFTWARE**

Land rear of 271 Cliffe Lane

Table of Profit Amount and Profit on GDV%

Construction: Rate /ft ²					
Sales: Rate /ft ²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
-5.000%	£5,938,817 20.465%	£5,543,679 19.104%	£5,146,075 17.734%	£4,746,275 16.356%	£4,344,259 14.971%
-2.500%	£6,756,492 22.686%	£6,365,541 21.374%	£5,972,147 20.053%	£5,576,402 18.724%	£5,178,176 17.387%
0.000%	£7,566,662 24.771%	£7,180,162 23.506%	£6,790,958 22.232%	£6,399,181 20.949%	£6,005,001 19.659%
+2.500%	£8,369,383 26.731%	£7,987,486 25.511%	£7,602,830 24.283%	£7,215,480 23.046%	£6,825,423 21.800%
+5.000%	£9,163,915 28.572%	£8,787,208 27.397%	£8,407,262 26.213%	£8,024,512 25.019%	£7,638,938 23.817%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£121.90	2.00 Up & Down
Apartments	1	£137.17	2.00 Up & Down

Sales: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£305.00	2.00 Up & Down
Apartments	1	£260.00	2.00 Up & Down

7.3 Recommendations

We recommend that the current position on affordable contribution is re-considered and the level of affordable housing is increased to match the surplus identified. Align can run an assessment to establish what percentage of affordable housing the surplus money equates to. However, this requires the council's intervention to make us aware of what units they would request to be affordable.

8 Nature and Sources of Information Relied Upon

The information received from parties identified within the report has been relied upon as being accurate. Align Property Partners is therefore unable to accept responsibility for any errors, omissions or inaccuracies contained within such information.

9 Publication

Neither the whole nor any part of this valuation report nor any reference thereto may be included in any published document, circular or statement, nor published in any way without prior written approval from Align Property Partners of the form and context in which it may appear.

10 Limitations

This report is provided on behalf of Align Property Partners for the stated purpose and for your sole use. This report is presented to Kirklees Council in respect of its requirements and may not be used or relied upon by any other person or by the client in relation to any other matters not covered specifically by the scope of this report. It is confidential to the client and to the client's professional advisors and neither Align Property Partners nor the author of this report accept any responsibility whatsoever to any other person. No individual is personally liable in connection with the preparation of this report. By receiving this report and acting on it, the client or any other person accepts that no individual is personally liable whether in contract, tort, for breach of statutory duty or otherwise.

This report has been prepared by Align Property Partners, with all reasonable skill, care and diligence within the terms of the Appointment and with the resources and manpower agreed with the Client. Align Property Partners does not accept responsibility for any matters outside the agreed scope.

All work carried out in preparing this report has used, and is based on, Align Property Partners' professional knowledge and understanding of current relevant legislation. Changes in legislation or regulatory guidance may cause the opinion or advice contained in this report to become inappropriate or incorrect. In giving opinions and advice, pending changes in legislation, of which Align Property Partners is aware, have been considered. Following delivery of the report, Align Property Partners have no obligation to advise the Client or any other party of such changes or their repercussions.

Whilst this report and the opinions made are correct to the best of Align Property Partners' belief, Align Property Partners cannot guarantee the accuracy or completeness of any information provided by third parties.

We have made no enquiries whatsoever into land ownership, title, onerous restrictions, utilities or local authority intentions which may affect the property. We have assumed that the property is free from any mortgage, charges or other encumbrances and that there are no easements affecting the property.

We also draw your attention to the following:

- We have not made any enquiries whatsoever into environmental issues or site conditions and recommend that you commission suitably qualified independent experts to undertake such enquiries / provide an appropriate report.
- Costs of realisation are purely estimated and require verifying.

11 Authorisation

Jake Gamble-Schofield, MRICS Registered Valuer has prepared this report, and it has been approved by Mark Tyler BSc (Hons) MRICS, RICS Registered Valuer, Technical Director of Estates.

Signed for and on behalf of Align Property Partners

Jake Gamble Schofield BSc (Hons), MRICS, Registered Valuer

Checked and approved by

**Graham Tyerman BSc MRICS, RICS Registered Valuer
Senior Principal Valuer**

Appendix A: Viability Appraisal Undertaken by Align

APPRAISAL SUMMARY

ARGUS SOFTWARE

Land rear of 271 Cliffe Lane

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ff ²	Sales Rate ff ²	Unit Price	Gross Sales
Market Housing	82	92,622	305.00	344,509	28,249,710
Apartments	15	8,832	260.00	153,088	2,296,320
Totals	97	101,454			30,546,030

NET REALISATION

30,546,030

OUTLAY

ACQUISITION COSTS

Fixed Price	1,935,000				
Fixed Price			1,935,000		
Stamp Duty		4.35%	84,173		1,935,000
Agent Fee		1.00%	19,350		
Legal Fee		0.50%	9,675		
					113,198

CONSTRUCTION COSTS

Construction	ff ²	Build Rate ff ²	Cost
Market Housing	92,622	121.90	11,290,622
Apartments	10,391	137.17	1,425,333
Detached Garages	3,880	63.14	244,983
Integral Garages	8,567	121.90	1,044,317
Totals	115,460 ff²		14,005,256
Contingency		3.00%	420,158
External Works			2,615,650
Abnormal Development Costs			1,509,090
Planning Obligations			344,060

18,894,213

Other Construction Costs

FHS	97 un	2,500.00 /un	242,500		
					242,500

PROFESSIONAL FEES

Professional Fees		8.00%	1,139,820		1,139,820
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MARKETING & LETTING

NHBC Warranty	97 un	1,200.00 /un	116,400		
Marketing	97 un	750.00 /un	72,750		
					189,150

DISPOSAL FEES

Sales Agent Fee		1.00%	305,460		
Sales Legal Fee	97 un	600.00 /un	58,200		
					363,660

TOTAL COSTS BEFORE FINANCE

22,877,542

FINANCE

Debit Rate 8.000%, Credit Rate 0.000% (Nominal)					
Land			521,077		
Construction			173,705		
Total Finance Cost					694,782

TOTAL COSTS

23,572,324

PROFIT

6,973,706

Performance Measures

Profit on GDV%	22.83%
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